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REPORT OF FEDERAL EXTENSION CONFERENCE, NOVEMBER 21-22 AND 24-26, 1941

THE PURPOSE OF THE CONFERENCE

M. L. Wilson

Director Wilson opened the conference by giving its purpose: To get a picture of the present situation as it exists and the background of existing conditions; to get some idea of what lies ahead and what is expected of us; and to take part in one phase of the Departmental in-service training program - letter writing. He stated that the "marching orders" for extension workers for 1942 are clearer than usual.

This Extension Conference will cover certain sections of the Defense Program and show how our program is related to it. Representatives have been invited in from other agencies for discussion with us, and at the end we should have as complete and as up-to-date an understanding of the program as it is possible to have.

We have some idea of what will be our work. The Department of Agriculture has been named a defense agency, and the Secretary has announced that defense is the first order of the Department. With the announcement in April by the Secretary of the Food-for-Defense Program for 1941, full resources of the Extension Service were thrown in so that all farm families might understand it. The production goals for 1942, announced in September, call for the largest agricultural production this country has ever seen. No greater request has been made of the Extension Service than is implied in the program. Our program, calling for all our potential resources, is well organized for this effort.

THE HIGH LIGHTS OF THE LAND-GRANT COLLEGE MEETING AT CHICAGO

Reuben Brigham and Others

In his summary of the Land-Grant College meeting, Mr. Brigham indicated that the following were some of the principal topics discussed with reference to extension work: (1) Finances and budgets, (2) relation of land-grant colleges to defense boards and to farm organizations, (3) progress being made by the Extension Service in relation to other organizations, (4) status of the farm youth bill now pending before Congress, (5) emergency funds for extension in connection with defense (it was advocated that \$7,000,000 be allocated to complete the extension organization), (6) discussion of bills now pending before Congress to provide funds for

extension work, (7) discussion of programs for older youth and their relation to 4-H Club work, (8) the relation of the mattress program to the Agricultural Adjustment Administration, and (9) report of the Committee on Education and Citizenship Training for Rural Youth and Adults.

The more formal programs relating to Extension consisted of three sessions in which the following topics were discussed: (1) The Extension Service and the Defense Program; (2) report of extension subcommittee on extension administration, management, and personnel training; (3) how and to what extent is the Extension Service reaching low-income farm families: (a) Report of a study by the Federal Extension Service, and (b) a panel discussion on limitations and techniques; (4) re-defining the extension job and field of action discussed by a State director of extension in each of the regions; and (5) report of Committee on Objectives of the Extension Service.

Director Schaub of North Carolina, chairman of the Committee on Objectives of the Extension Service, gave this slogan for the Extension Service in the committee report: "Maintain and preserve for America the family farm." The report was adopted, and it was recommended that a publication be prepared by the Federal Extension Office epitomizing this statement. It was further suggested that State publications of a similar nature should be prepared.

Among the most important developments of the conference were the naming of two committees: (1) A committee to bring about better working relations between the colleges, the Department of Agriculture, and the Federal Security Agency, with President Byrd of the University of Maryland as chairman, and (2) a committee to study the constitution and bylaws of the Land-Grant College Association. It is believed that the work of these committees will be of great importance in bringing about a thorough awakening of the land-grant colleges to their duties in the National Defense Program.

Mr. Brigham asked other members of the Federal Extension Office who attended the conference to report on various phases of the program. Mr. H. M. Dixon stated that further consideration was given by the Land-Grant College Association to marketing legislation previously recommended by the colleges during the year. The American Farm Bureau Federation and the National Cooperative Council made certain recommendations for changes and additions to the proposed bill. It is expected that more definite action will be taken by farm organizations on this proposed legislation in the near future.

Mr. S. P. Lyle reported that the Association approved the Conference of Extension Agricultural Engineers to be held December 4 and 5, 1941, at the Stevens Hotel in Chicago. This conference will consider the important campaign for farm machinery repairs as an aid to the Food-for-Freedom Program. It is expected that this program will be conducted on a county basis and will include educational and demonstrational activities to encourage farmers to recondition all serviceable machinery and equipment as soon as possible and to make the most efficient use of all available farm equipment and machinery. The Association reiterated its endorsement of

the principles embodied in Senate Bill 1041 providing for a rural housing program involving extension, research, and teaching work in the land-grant colleges and correlated activities in the Department of Agriculture.

Mr. Eugene Merritt stated that the Rural Youth Committee of the Land-Grant College Association suggested to the directors of extension that there be organized in each State a rural youth committee with the following tasks: (1) Analysis of the rural youth situation in the State, (2) analysis of the extension activities carried on by extension workers in the State in the interest of rural youth, (3) study of the activities of agencies serving youth, with special reference to the programs with rural youth, (4) development of plans for increasing the services to this group in the present crisis and for giving greater services when hostilities cease.

Mr. A. M. Sowder reported that activities of the Land-Grant College Association with respect to farm forestry legislation, H. R. 5960, which was introduced November 4, 1941, by Congressman Fulmer, were discussed quite fully. In this bill, the Extension Service is brought very actively into the operation and functioning of the farm forestry program. This legislation was endorsed by the Farm Forestry Committee of the Land-Grant College Association.

Mr. Kepner indicated that the Extension Committee on County Land Use Planning suggested that a county land use planning committee be set up in each county of the United States. This recommendation was not approved by the Association but was referred to the committee for revision. It was the intention of the group, however, that the county committees be organized as rapidly as possible and such a recommendation was approved.

Mr. Meredith C. Wilson mentioned two outstanding developments at Chicago:

1. Recommendations of the subcommittee on Administration and Personnel Training, J. W. Burch of Missouri, chairman.
 - a. That a 2-week administrative management institute for extension directors, assistant directors, and State supervisors be held at the Continuation Education Center at the University of Minnesota during 1942.
 - b. That studies of a research nature relating to county administrative organization and procedures be conducted as a means of locating weak spots and of determining most effective ways of prosecuting the defense effort of promoting cooperative county agricultural planning and for the practical integration of public programs of concern to the farm family.
 - c. That increased attention be given to the training of extension workers on all levels with the emphasis this next year centered on definitely organized induction training for new extension appointees. The committee

warned that in times of emergency it is so easy to lay aside training activities, forgetting that such activities may be the best possible means of meeting the emergency by increasing the efficiency of field workers.

2. Several of the East Central States - Ohio, Michigan, Indiana, Illinois, and Wisconsin - are interested in the possibility of setting up a cooperatively supported extension workshop of 3-week duration to be sponsored by Purdue University in 1942, with the understanding that the workshop would be rotated among the participating States in later years.

AGRICULTURE AND POST-WAR PLANNING

Leonard K. Elmhirst

Mr. Elmhirst said England lost the peace through a series of fears that grew up since the last war, such as fear of labor, fear of depression, fear of loss of power and property, and fear of Russia. On a recent visit to 28 of our States he found some real fears, among them being fear of depression following the present war, fear of decline in purchasing power of farm products, and fear of organized labor.

To overcome such fears, Mr. Elmhirst thinks we should gain a comprehension of the social and economic factors involved, make plans for a post-war world on a democratic basis in which we and the conquered people of Europe can have confidence, and have sufficient compassion for the people below a subsistence level to make it possible for them to improve their status.

No end is seen by Mr. Elmhirst to commodity control in an ordered post-war economy. He suggests that a raw materials union be established in which consumers are represented to watch and control the flow of materials between countries, that the farmer take a direct interest in the factory worker whose wages must be kept high enough to enable him to buy farm products, and that a sound policy for the future be built by drawing on all human experience that is relevant. He also pointed out that it is dangerous in democracies to leave all planning to the government.

In England the findings of the Political and Economic Planning Organization have been helpful in policy formation. This organization consists of 11 volunteer groups, each composed of businessmen, professors, labor representatives, and civil servants. Each group studies a different social or economic problem and makes a written report at the end of 3 years.

HOW AMERICA IS MEETING BRITISH FOOD NEEDS

Roy F. Hendrickson

Reviewing comprehensively the operations of the Surplus Marketing Administration under the Lend-Lease Act, Mr. Hendrickson, Director of Marketing for the U. S. Department of Agriculture and Administrator of S. M. A.,

indicated that all of the money available under the first Lend-Lease bill for the purchase of food had been spent, that purchases under the second bill would now go forward at a greatly speeded-up pace, and that plans in regard to a third Lend-Lease bill are already under way.

There have been many problems in getting particularly the more perishable products to Britain, but much improvement in the technique of shipping food abroad with less spoilage and loss than at first has taken place. There is now very little, if any, complaint regarding the condition in which goods are arriving in Britain. In fact, a number of fine compliments regarding the quality and condition of these goods have been received.

In relation to Russia, reference was made to the great need for goods to be sent there under the Lend-Lease Act, and to the serious problems to be encountered in shipping these goods and in moving them to their destination.

The Food Stamp Plan, School Lunch, Penny Milk, and other programs designed to encourage increased consumption and provide wider market outlets for certain agricultural commodities in the United States are to be continued on as large a scale as possible. Also, every effort is being made to avoid a repetition of the mistakes made during and after the last war.

Referring to the new proposed program of the Office of Director of Marketing, Mr. Hendrickson mentioned the extent to which marketing had been neglected for some years and of the need for administration, legislation, and education in regard to it. Mr. Hendrickson also stated that he looked forward to close cooperation with the Extension Service in the development of a well-coordinated program in marketing for the Department of Agriculture.

AGRICULTURE IN EUROPE

Clyde Marquis

Mr. Marquis gave a few of the high lights of his impressions of Italy, as well as a report on the work of the International Institute. His life in Italy and his association with its people were pleasant although everyone lives under constant fear of being spirited off to a "hill town" or concentration camp. Today 44 million Italians, prisoners under fewer than 1 million Fascists, are looking for a way out of this war which they have disliked from its beginning. At present, they are hosts to a guest army of Germans that demands four times the food per capita that is rationed to civilians. The present war really started in 1914. The interval between the last war and this has been just a period of preparation for future war.

The young people of Italy, to whom the country must look for a better future, have great interest and hopes in America as a promised land. Once the military organization in Italy is crushed, they will have a chance to do something about the kind of government they wish to have.

The International Institute of Agriculture is still operating with 75 percent of its staff, composed of representatives from the belligerent and conquered nations. No Americans are there now, although the United States membership dues are paid up to July 1942. A survey of world agricultural resources, started when M. L. Wilson headed a delegation there in 1938, is one of the principal pieces of work under way.

Mr. Marquis has unearthed several interesting items on Etruscan agricultural implements and tools as a result of his special interest in agricultural history. He has visited an old rice experiment station erected by the Duke of Milan in 1488, over the doors of which is the Latin inscription, "He who would be the author of the peace of the world must first begin as a farmer."

MY RECENT OBSERVATIONS IN ENGLAND

Paul Appleby

Under Secretary Appleby said that his remarks could be considered an "Extension of remarks about the war." He emphasized the complexity of the job we have in aiding Britain. In talking with ferry pilots, he learned of the difficulties in obtaining the necessary ground crews, instruction pilots, and repair parts for American airplanes.

Today the British Government spends about 67 percent of the national income, leaving only 33 percent available for living. Clothes are rationed and expensive, as most clothing manufactured is exported in exchange for war materials.

While visiting Lisbon, Mr. Appleby learned that there was little unemployment in France because everyone was working for the Germans. Since Germany is buying or otherwise obtaining French products, the general opinion was that "any aid extended to France will redound to Hitler."

Two distinct impressions that Mr. Appleby brought back were that women have gained in importance because of their efforts in increasing production and in bolstering morale, and that there is a new realization of the importance of every individual.

ESTIMATED REQUIREMENTS OF THE DEFENSE PROGRAM IN 1942-43

Herbert Emmerich

Mr. Emmerich of the Office of Production Management presented information on the Defense Program and the organization of the OPM to reach these two objectives: (1) Rearming America as a protection against aggression and assisting other countries within the Western Hemisphere to do likewise; and (2) assisting countries resisting aggression, such as England, China, and Russia.

This is the largest armament program in the world's history, and it must be completed within the shortest time possible. It involves the mobilization of America's plants, materials, and human resources for defense, and affects every segment of our economy and our civilian life.

The President of the United States administers the OPM program through: (1) Regular departments and agencies such as Army, Navy, Agriculture, Treasury, and Justice; (2) a Council of National Defense consisting of six cabinet members -- War, Navy, Interior, Agriculture, Commerce, and Labor; (3) defense agencies established by Executive order to carry out certain functions such as price administration, coordination of inter-American affairs, lend-lease, and production.

The OPM was established in January 1941 to serve as the principal instrumentality for effective speedy production of planes, tanks, ships, and other weapons of defense and war. Operating divisions are Production, Purchase, Supply of Materials, Priorities, Labor, Civilian Supply, and Contract Distribution. Industrial branches dealing with certain products like iron and steel are included within 30 operating units.

Swiftly changing conditions made it advisable in August 1941 to establish the Supply Priorities and Allocations Board. The Board consists of Vice President Wallace, Secretary Stimson, Secretary Knox, Mr. Knudsen, Mr. Hillman, Mr. Henderson, and Mr. Hopkins, with Mr. Donald M. Nelson as Executive Director. The SPAB is a policy-making body operating through OPM, with powers subject to the National Defense policies laid down by the President.

Mr. Emmerich gave more specific information, using the illustration of how regulations pertaining to steel, aluminum, and copper were decided upon and plans made to overcome shortages.

The OPM and SPAB are following a program of expanding output and eliminating waste in the production of critical materials domestically produced, and of increasing domestic production and accumulating a reserve of strategic materials that are largely imported at present.

REMARKS BY SECRETARY WICKARD

Secretary Wickard gave an inspiring and encouraging personal message to the Extension staff in which he pointed out that great responsibilities would rest upon the Extension Service during the present emergency. Of great interest in the Secretary's remarks were references to his own experiences as a farmer in Indiana in relation to Extension work which he has seen grow from its inception in that State.

THE PROBLEM OF ADEQUATE SUPPLIES OF PRODUCTION MATERIALS
NEEDED FOR FARMERS

David Meeker

Mr. Meeker, Assistant Director of the Office of Agricultural Defense Relations, indicated that there is an apparent change in the thinking of people from what they have been calling "defense" to a recognition that this is a war effort. It is recognized that this Nation is a great arsenal for military and food needs. We appreciate the need for our country to provide the necessities to other countries resisting aggressors as well as for ourselves.

During the first year of the Defense Program, conditions were very satisfactory and we enjoyed a boom period. Prices improved, wages and income increased, and purchasing power of farmers and of wage earners rose. This period of pleasantness seems to be nearing a close, because under the present rate of production for defense, 20 percent of the national income is being devoted to this endeavor. This may rise to as high as 28 or 30 percent of the total national income by this time next year, and perhaps 40 or 45 percent by 1943.

This is a mechanized war. Three times as many people are required to work behind the lines to keep a soldier in the war as was the case in the last great conflict. Consequently, our productive efforts must be increased to the very maximum. It should be emphasized that the job now is to produce and that all effort should be directed toward this end. Without minimizing the need for post-war planning, we must remember that our first problem is to win the war.

Shortages are appearing in the supplies of many commodities, most important of which are the metals. Supplies of aluminum, copper, and certain types of steel are becoming very scarce. This means that the available supplies must be directed into production of war materials, and this necessarily means a restriction on the production of durable consumer goods. Where possible, substitute materials are being developed and used for items of limited supply.

The priority system has been designed to provide orderly means of distributing available supplies so that the most important needs are taken care of first. In general, farmers are not considered individually in this system, but agricultural priorities are considered in a broad category. Generally speaking, farmers' needs can be covered in blanket orders. Therefore, with few exceptions, such as heavy-duty motors, irrigation equipment, caterpillar tractors, etc., priority certificates are not needed by farmers.

EXTENSION'S RESPONSIBILITY IN ASSISTING STATE AND COUNTY
AGRICULTURAL DEFENSE BOARDS

T. Roy Reid

Mr. Reid discussed the factors that were considered in setting up the USDA Defense Board, as well as the State and county defense boards, and indicated that available appropriations were no doubt a big factor in placing this work under the leadership of AAA representatives. Under such an arrangement, however, the Extension Service and other agencies may be able to give more time to developing farmer leadership, education, and training.

Defense activities are channelized through county and State defense boards to the Secretary, alleviating the necessity for the Extension Service and other agencies to become involved in detailed administrative affairs in connection with the program. The Food-for-Defense Program is the job of all the agencies of the Department of Agriculture; and much educational work, guidance, and direction is necessary to reach the desired objectives.

The farm-to-farm canvass setting up the 1942 production goals for individual farmers is progressing satisfactorily. Soon after the first of the year, it will probably be possible for the Department of Agriculture to determine quite accurately production ability of the farmers of the Nation.

Mr. Reid stated that it was his belief that the Extension Service has a definite opportunity to accomplish a good job of educational work whether or not it provides the chairmanship for the Food-for-Freedom Program. He expressed the belief that worrying about who is chairman was rarely a problem at the county level, but that the county agent is the one to whom local people look for assistance regardless of the farm problem involved. He explained the need for help and guidance in the whole program and stated that the theme of service and helpfulness should be paramount.

THE HOME--OUR FIRST LINE OF DEFENSE

Dr. Louise Stanley

National defense needs are calling on the homes of the Nation to conserve strategic supplies, to adjust their purchases of goods and services to meet emergency demands, to build morale and physical fitness through diets planned by nutrition standards, in short, to make each home a conscious working unit in safeguarding our democracy.

To meet these demands, the Bureau of Home Economics has put aside "research-as-usual." Instead, every project using laboratory technicians or economic analysts has been geared to furnish facts essential to the national defense effort. The following summaries give briefly some of the most important of the accomplishments of the past year.

Foods and Nutrition - Information as to patterns of consumption-- what families at different income levels buy and use--is essential to plans for safeguarding national food supplies, for use of raw materials and factories for civilian needs, and for programs of taxation and sale of defense bonds.

The research program of the Foods and Nutrition Division has been directed toward supplying information needed by those responsible for planning better nutrition on a national scale, by others who must feed our armed forces and civilian defense workers, and by the American Red Cross in its work of selecting types of food most suitable to send abroad.

Textiles - When the ban on raw silk imports brought an emergency situation in women's hosiery, the Bureau had ready for immediate release to manufacturers, 150 designs and specifications suited to 89 percent of their machines formerly knitting silk. This research had been begun at the request of Congress in 1939 as a means of utilizing surplus cotton and developing better-looking, better-fitting, and better-wearing hose.

Two reports of such research issued during the year deal with the physical properties of the hose knit from commercial cotton yarns, and water repellent finishes.

Work Clothes for Women - The development of suitable work garments for women now occupies a prominent place in the clothing studies. As men are called to service or find industrial employment, women are taking their places in the fields and doing more of the general farm chores. Then too, increasing numbers of women are engaged in defense activities.

With these needs in mind, and with a study of the actual experience of women in various types of work as a background, 15 work outfits have been developed. Commercial pattern companies and garment manufacturers are seeking these designs as fast as they are released and some are already in commercial production.

Housing - In housing we have worked closely with the various agencies building defense houses, supplying information as to minimum requirements for work areas, storage, and livability. The equipment staff has suggested substitutes for strategic materials in household equipment and tested the equipment in which these substitutes are used. Results have appeared in press releases. We are now working with committees of the defense agencies in the preparation of specifications for major pieces of equipment that will simplify design and number of lines, adapt them to use of available supplies and at the same time protect consumers.

THE CIVILIAN DEFENSE PROGRAM

Miss Eloise Davison

In explaining what the Civilian Defense Program is, Miss Davison indicated that we are all a part of it since the home front is the great reserve fortress of our way of life. Civilian defense is seeing that

every American town is ready for whatever comes; it is helping citizens to be strong and healthy, to eat the right foods, and do useful work. It is helping every American to think through what we are defending and why.

What are those needs which call for united action?

1. Faith and devotion to democracy - To know in our minds, and deep in our faith, what democracy is; to know our part in it, and to know why it is worth a sacrifice.
2. Health and strength - To build the health, strength, and physical well-being of our people.
3. Strengthening the community - To make our communities strong, fine places where American people can enjoy being free.
4. Protection in and against emergencies - To know the needs is only the beginning. Every citizen has a responsible share in meeting them and in taking action.

DEVELOPMENTS IN THE NUTRITION AND HEALTH PROGRAM

Dr. Helen Mitchell

Dr. Mitchell of the Office of Defense Health and Welfare Services told of a health quiz which was taken by 5,000 local people during an all-day "quiz corner" in the over-populated disease-ridden Army center at Fayetteville, N. C. This quiz was reported by Dr. Lucy Morgan of the Public Health Service, who explained that the "quiz corner" radio and movies were used in Fayetteville to "soften" the attitude of both white and Negro people toward the efforts of cooperating agencies that are trying to combat ill health and disease.

All the States now have nutrition committees, reported Dr. Mitchell, and 20 of them are set up on a county basis. Procedure is usually to (1) survey the local situation, (2) analyze the problem, (3) use all available agencies, (4) set up a program, and (5) train local leaders. The job is easier in areas where the Extension Service has been working.

Ignorance, apathy, habit, and political and personal differences were given as the chief obstacles. Consequently, the side door often is used because the front door is locked. Effective approaches were through health facts regarding local school children and local draft rejectees. Community meetings with movies, store window exhibits, school lunches, and personal contact by local leaders were used. Speakers' bureaus, training courses for lay workers on both food facts and food budgets, and motor corps to take people to meetings and to clinics are essential. Reaching more people with some information is the recommended procedure for opening these health drives. Folks must realize their need before they can be interested in changing their habits.

HOW THE AGRICULTURAL SITUATION IN OTHER COUNTRIES AFFECTS
AGRICULTURE IN THE UNITED STATES

L. A. Wheeler

Mr. Wheeler, Director of the Office of Foreign Agricultural Relations, described the foreign situation and how it affects agriculture. Historically, he mentioned that before the previous World War we were a debtor nation and had to export to pay our debts. Since that war we have been a creditor nation. During the twenties we restricted imports, attempting to set up a two-price system - a high one for the part of a crop consumed at home, and a lower one for the part exported. During the thirties the agricultural program with its production control, parity payments, and surplus removal entered the picture, as did trade agreements to get back our foreign markets.

The speaker felt that the trade-agreement plan is fundamentally correct but that it has not been wholly successful. The main reason for this is that it was started too late - after the forces leading to self-sufficiency and economic nationalism had gathered momentum. It has, however, suggested the correct approach to a future program. He also stated that the agricultural program of surplus removal, production control, and parity payments has not been successful from the viewpoint of relating the United States to the world situation. We think of 85 percent of parity as right from our standpoint, while other nations must be satisfied with a price equal to 40 to 50 percent of parity. If our surplus must be sold, it will take a liberal subsidy.

In this period of increasing production under the Lend-Lease Act, we are exporting more than in the thirties, but not as much as in the twenties. Our total agricultural exports now amount to about \$750,000,000 annually. Lend-lease has, in a sense, taken the place of our loans in the twenties and our purchases of gold in the thirties as a means of financing our exports. The United Kingdom is taking at least two-thirds of the total.

The future picture as seen by the speaker is based on the assumption that Hitler will be defeated. Mr. Wheeler believes that:

1. We shall probably be the only creditor nation after the war.
2. Nearly all other countries will be bankrupt.
3. We shall have large stores of cotton and wheat in the United States, and other exporting countries will also have large stocks.
4. We shall need a somewhat different form of agricultural plant which includes expansion of animal production with less wheat and cotton.

The two possible paths to follow as the speaker indicated were: (1) Isolation, and (2) international cooperation. The path of the isolationist is a dangerous one according to the speaker. It was the one

followed in the twenties when we restricted imports and surely will lead to a lower standard of living and possibly to a third World War.

The path of international cooperation is the safer road, Mr. Wheeler said. This will necessitate three classes of agreements:

1. Trade agreements to stimulate increased trade and thus tend to increase rather than reduce production. Such agreements might provide for liberal tariff quotas such as the quota on cattle in the United States-Canadian Trade Agreement.
2. Financial agreements which may mean a restoration of the gold standard or some other stable standard.
3. Commodity agreements for staple commodities, such as wheat, cotton, sugar, etc.

Mr. Wheeler pointed out that we must try to get together with other countries in importing and exporting these products, and such agreements would involve sharing of world markets. The United States would probably ship less than before the twenties, but would export much more than we have in the thirties, or at present. It would also mean agreeing with other countries as to a minimum world price, the lowest price at which the various countries would export. This, in turn, would probably mean a definite two-price system in the United States on such crops.

PRICES: HOW HIGH WILL THEY GO AND CAN THEY BE CONTROLLED?

O. C. Stine and J. K. Galbraith

Dr. Stine, Chief of the Division of Statistical and Historical Research, Bureau of Agricultural Economics, discussed principally the first part of this topic. The possibility of a price rise will depend in great measure on the length of the war and upon the volume of Government spending. At the present time, Government spending is at the rate of about 1 billion dollars a month above receipts from all sources. This factor undoubtedly has an inflationary influence. Extreme price rises have always occurred during war periods. In the past, high price peaks have come a year or two after the end of the war itself because price controls during wartime were suddenly discontinued and extraordinary demands continued for a time to make up wartime deficits.

Two important conditions give rise to the possibility for control of prices: The first is the early attempt, through the Office of Price Administration, to develop procedures for price control; and the second is the Lend-Lease Program which if continued for a time after the war would make possible a far better price adjustment from the wartime to the post-war conditions. In connection with price control, an important weakness in the present bill under consideration is that wages are not fixed or controlled. As long as wages are not fixed, no absolute control of prices is possible. In comparing the present situation with that during the last war, one important difference is that at the beginning of this war we had a

large group of unemployed. Recently increased wages and pay rolls have resulted in greatly expanded purchasing power. Since unemployment has been reduced sharply, it is likely that increased income to workers from now on will be due primarily to increased wage rates. It should be remembered, however, that a wage rate increase is an important element in higher distribution costs. An increase in pay rolls means greater purchasing power.

At the present time agriculture finds itself in a favorable situation because increases in income have proceeded more rapidly than increases in costs. Sometime before the end of the war period, however, this favorable situation will be reversed. Increased wages, taxes, machinery costs, freight rates, and other distribution costs will offset increased farm income. It is expected that farm prices will increase about 20 percent in 1942 over the prices in 1941 and that about 2 billion dollars will be added to agricultural income.

Dr. Galbraith, Assistant Administrator, Office of Price Administration, discussed some of the possibilities for controlling prices and inflation. Dr. Galbraith gave the following two principal causes of inflation:

1. The supply of purchasing power in excess of the available supply of goods.
2. War economy causes a distorted demand for some products but has little effect on others.

It is possible to control inflation, but such control requires:

1. Enough deferment of spending to achieve an approximate over-all balance between spending and the supply of goods available.
2. Price fixing and an allocation or rationing of the supplies available of those goods that are in excessive demand because of the war effort.
3. All possible efforts to increase production so that less curtailment of purchasing power will be necessary.

Dr. Galbraith indicated that there were extremely good possibilities of accomplishing the control of prices and inflation. The Treasury Department, through tax measures and the sale of defense bonds and stamps, has gone far to bring over-all expenditures of consumers into balance with the available supply of goods. Furthermore, the Office of Price Administration has fixed prices on 42 commodities that were under heavy inflationary pressure because of the extreme demand for war purposes. This was done under emergency powers granted by Executive order. It is expected that the price control bill now in Congress will give definite powers and procedures for price control. So far, the OPA has had no real power to enforce price schedules except through indirectly holding back materials and through naming companies as profiteers. The latter has been very effective. It is expected, through reduction in purchasing power and the control of prices for individual commodities, that a general rise in prices can be controlled.

CONSUMER EDUCATION PREPARES FOR ECONOMIC CITIZENSHIP

Miss Harriett Elliott

Miss Elliott, Assistant Director of the Office of Civilian Supply, described the work of the Consumer Division in her talk before the luncheon meeting arranged by Epsilon Sigma Phi. The Consumer Division has two sections: (1) Standards and Needs, and (2) Consumer Information. Miss Elliott emphasized that price ceilings without standards do not provide for consumer protection. The development and dissemination of consumer information is based on the fact that intelligent consumers are an asset to honest production. Labels and grade designations are important but are of not much use without education.

The present Defense Program and the war situation will make much different inroads on consumer goods than occurred in the first World War. Materials already greatly affected are metals, leather, and food. Total buying cannot be more than two-thirds of normal. The watchword, therefore, is "buy what you need, and no more."

HOW FARMERS CAN AVOID SOME OF THE DISASTROUS EFFECTS OF A POST-WAR DEPRESSION

Roy Kimmel

Mr. Kimmel, Chairman of the Departmental Committee on Post-War Programs, discussed the above topic. A committee on post-defense programs has been created in the Department of Agriculture with membership from 21 bureaus and agencies in order to carry on post-war planning. The country has been divided into nine regions with a departmental representative designated to direct the work in each. Furthermore, State and local land use planning committees will be asked to shoulder a large part of the job. The following figures indicate the possible seriousness of post-war adjustments in employment:

	<u>1939</u>	<u>1941</u>	<u>1944 (Estimated)</u>
Employed in industry	47,000,000	53,000,000	60,000,000
National income	70 billion	85-90 billion	105 billion
Employed in defense effort			23,000,000
Engaged in armed forces			4,000,000

Since the transition from wartime to peacetime economy will create many problems, leaders of Government, industry, labor, and agriculture must work together to develop methods of accomplishing this transition in the best possible manner. The following are national objectives of post-war economy:

1. Maintenance of national employment and income at levels equal to those at the peak of the defense effort.
2. Obtain for all people the essentials of the "good life."

3. Build up America's physical plant, including roads, housing facilities, schools, recreation centers, etc.
4. Adjustment of the agricultural plant to production for a nation with vastly increased purchasing power and the possibility of having to feed large parts of Europe for some years following the war.

Agriculture's part in post-war planning involves:

1. Working with other agencies of the Government and representatives of industry in developing plans for full employment.
2. Building up physical resources through soil conservation, forest management, water conservation, etc.
3. Developing plans for the construction of rural physical facilities, such as water supplies, roads, electricity, marketing facilities, county office buildings, rural hospitals and medical facilities, and rural education.

WHAT IS EXPECTED OF EXTENSION IN 1942

M. L. Wilson

In his summary of the conference, Director Wilson stressed the point that we are in a period in which changes in the economy are taking place at an extremely rapid rate. The general pattern now is entirely different to that which occurred in the first World War. The rapidity and enormity of the change can scarcely be comprehended at the present time.

There is need for a good basis of coordination of the activities of agriculture and of other agencies participating in civilian defense programs in the States, counties, and communities. As the emergency situation progresses, the Extension Service will receive increased recognition because of its position as an agency which works with farmers. The Extension Service has one of its greatest opportunities in 1942 in connection with three major lines of work:

1. The Food-for-Freedom Program.
2. Civilian defense from the standpoint of morale, health, nutrition, boys and girls club work, etc.
3. Post-defense planning.

Consequently, the following important things should be stressed in an extension program:

1. See that farmers understand the facts. The Extension Service will be expected to reach more homes effectively than ever before.

2. The use of discussion groups and the discussion technique should be extended on a much greater scale. This method helps to preserve democratic systems and ideals.
3. Many more local leaders than at present must be obtained in order to accomplish the job. This might be done through some system of training schools developed by the Extension Service for local leaders.

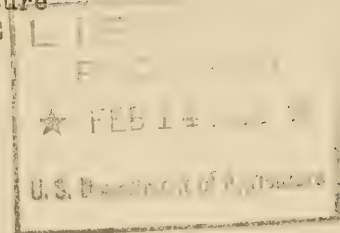
Director Wilson stated that this conference is not over but rather is a continuing conference. He suggested that implications to our extension program, brought out in the conference, be considered within each division of the Federal Extension Office. He set December 22 as the day on which the group might come together again to consider a follow-up of this conference and further recent developments in the program.

No attempt was made by the committee to keep a detailed record of each of the talks. The report is brief and only records the high-lights of each discussion. It was felt that a report of this kind would be more thoroughly read and perhaps would prove to be more valuable than a more detailed one. With this explanation, the committee respectfully submits its report.

J. L. Boatman, Chairman
Florence L. Hall
Mary Rokahr
Gladys Gallup
Lloyd E. Partain
William C. Ockey

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United States Department of Agriculture
E X T E N S I O N S E R V I C E
Washington, D. C.



Agenda

EXTENSION CONFERENCE
November 21-22, 24-26, 1941 (Inclusive)
Room 1039, South Building

- Conference objective:
- (a) To acquire background knowledge of national and international situations as they relate to defense.
 - (b) To understand current developments which call for Extension adjustments.
 - (c) To improve letters in accordance with Department-wide program.

Friday, November 21

Chairman - M. L. Wilson

9 to 10:30 a.m.

The Purpose of the Conference - M. L. Wilson

The High Lights of the Land-Grant College Meeting at Chicago -
Reuben Brigham and others

10:30 to 11:30 a.m.

Agriculture and Post-War Planning - Mr. and Mrs. Leonard K.
Elmhirst

Intermission

Chairman - S. P. Lyle

1 to 2 p.m.

How America Is Meeting British Food Needs - Roy F. Hendrickson
Discussion

2 to 3:30 p.m.

How We Can Improve Our Letters* - James F. Grady

Chairman of Extension Dinner - P. V. Kepner

6:30 p.m. - Extension Dinner (Arranged by Extension Wives' Club) -
Pierce Hall, Fifteenth and Harvard Streets, NW.

Agriculture in Europe - Clyde Marquis

My Recent Observations in England - Under Secretary Paul Appleby

Saturday, November 22

Chairman - H. W. Hochbaum

9 to 10:30 a.m.

How We Can Improve Our Letters - James F. Grady (continued)

10:30 to 11:30 a.m.

What Are the Estimated Requirements of the Defense Program in
1942-43 as to Basic Raw Materials, Manufacturing Facilities,
Labor, Transportation, etc. - Herbert Emmerich, O.P.M.
Discussion

Monday, November 24

Chairman - J. L. Boatman

9 to 9:30 a.m.

Extension's Part in the Food-for-Defense Effort - Secretary Wickard

9:30 to 10:30 a.m.

The Problem of Adequate Supplies of Production Materials Needed
for Farmers - David Meeker
Discussion

10:30 to 11 a.m.

Service Ceremonial for T. M. Campbell and J. B. Pierce
- W. H. Conway

Intermission

Chairman - Miss Grace Frysinger

1 to 2 p.m.

Extension's Responsibility in Assisting State and County
Agricultural Defense Boards - T. Roy Reid
Discussion

2 to 3:30 p.m.

How Can We Improve Our Letters - James F. Grady (continued)

Tuesday, November 25

Chairman - Reuben Brigham

9 to 10 a.m.

Home Needs in Defense - Dr. Louise Stanley
Discussion

10 to 11 a.m.

The Civilian Defense Program - Miss Eloise Davison, O.C.D.
Discussion

Intermission

Chairman - Lester A. Schlup

1 to 2 p.m.

Developments in the Nutrition and Health Program
- Dr. Helen Mitchell, Office of Defense Health and Welfare
Services
Discussion

2 to 3 p.m.

How the Agricultural Situation in Other Countries Affects
Agriculture in the United States - L. A. Wheeler
Discussion

Wednesday, November 26

Chairman - Meredith C. Wilson

9 to 11 a.m.

Prices: How High Will They Go and Can They Be Controlled
- O. C. Stine - 9 to 10 a.m.
- J. K. Galbraith, O.P.A. - 10 to 11 a.m.
Discussion

Chairman for Luncheon - L. M. Vaughan

11:45 a.m. - Luncheon (Arranged by Epsilon Sigma Phi), Room 6962,
South Building

Speaker to be announced

Chairman - H. M. Dixon

1:30 to 2:30 p.m.

How Farmers Can Avoid Some of the Disastrous Effects of a
Post-War Depression - Roy Kimmel
Discussion

2:30 p.m.

What Is Expected of Extension in 1942 - M. L. Wilson

*Office Committee to Work on the Improvement of Extension Letters:

Barnard Joy, Chairman
H. W. Gilbertson
Fred Jans
Norman Tucker
Bertha M. Bennett
John Speidel
Walter Conway
Ella Gardner
Virgil Gilman

